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LACHLAN STAR ANNOUNCES POSITIVE RESULTS FROM SCOPING STUDY AT 100% OWNED BUSHRANGER COPPER PROJECT

Emerging minerals and exploration company Lachlan Star Limited (“Lachlan” or the “Company”) (ASX: LSA) is pleased to announce the results of a Scoping Study for its 100% owned Bushranger copper project in New South Wales.

Highlights

- The Scoping Study was based on an open pit mining operation treating 2Mtpa of ore through a standard flotation concentrator to produce copper concentrates with gold and silver credits.
- The Scoping Study was completed at two copper prices, namely US\$7,500/t and US\$10,000/t, and on all resource categories which resulted in pre-capital operating cash flows of AUD\$112 million and AUD\$344 million, respectively. *(Refer to Table 1 below)*
- The 2Mtpa throughput rate selected provides a mine life of between 5 and 11.5 years for the two price scenarios examined.
- The net operating cash flows are on a pre-capital cost basis, with the capital cost estimate for a 2Mtpa concentrator and associated infrastructure being A\$98 million.

Scoping Study Results

The Scoping Study was completed to an accuracy level of +/- 30% and used costs sourced from an operating copper mine in New South Wales that were amended to reflect the Bushranger mineralisation, metallurgy, infrastructure, proposed throughput rate and location.

Given the preliminary nature of the Scoping Study, all resource categories were used for the pit optimisation. The resources for the Project were estimated at a 0.3% and 0.2% copper cut-off. *(Refer to Tables 2 and 3 below)*

The resource tonnage and contained copper increases rapidly as the cut-off grade is reduced. The economic cut-off grade derived from the Scoping Study is 0.20% copper and 0.15% copper at copper prices of US\$7,500/t and US\$10,000/t, respectively. *(Refer to Table 4 below)*

The 2Mtpa throughput rate selected provides a mine life of between 5 and 11.5 years for the two price scenarios examined. Given the relatively low grade nature of the mineralisation, and the larger resource base available at lower cut-off grades, there may be merit in examining a higher throughput scenario that would reduce process and overhead costs, thus lowering the cut-off grade required for mineralisation to be economic. As can be seen from Tables 2 and 3

below, the contained copper in the resource increases substantially as the cut off grade is reduced.

Project Location and Infrastructure Access

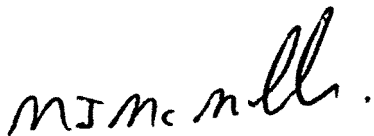
Bushranger is located 25km south of Oberon in the Lachlan Fold Belt of New South Wales, in an area well served by existing infrastructure. A high voltage power line traverses the property, and water is potentially available from a large regional dam nearby.

Access to the rail network would be via road haulage on a sealed road to the nearest rail head 25km away. Concentrates would then be railed to ports in either Newcastle or Port Kembla for export to Asia. The initial metallurgical test work on the mineralisation indicates that saleable concentrates could be produced at reasonable recoveries.

The capital costs for the concentrator and infrastructure were estimated from a database of similar projects and recent construction of projects in eastern Australia and are considered to be accurate to a +/-30% level.

Mick McMullen, Executive Chairman, commented %The significant increase in copper prices over the past two years has had a positive impact on the economics of a development plan for the Bushranger copper project. The Scoping Study results clearly indicate that the Project is potentially economic and that any additional mineralisation located through further exploration would enhance these results further. The Company is currently considering various options to maximise this value for shareholders.+

For and on behalf of the Board



Mick McMullen
Executive Chairman

Table 1
Bushranger Pit Optimisation Results

| Cu Price (US\$/t) | Mineral Inventory (Mt) | Cu Grade (%) | Waste (Mt) | Waste:Ore Ratio | Net Operating Cash Flow (A\$M) |
|-------------------|------------------------|--------------|------------|-----------------|--------------------------------|
| 7,500 | 10.6 | 0.43 | 28.7 | 2.7 | 112 |
| 10,000 | 23.1 | 0.39 | 87.8 | 3.8 | 344 |

Table 2
Bushranger Resource -0.3% Cu Cut Off

| Cut Off (%Cu) | Category | Tonnes (Mt) | Cu Grade (%) | Contained Cu(t) | Au Grade (g/t) | Contained Au(oz) | Ag Grade (g/t) | Contained Ag(oz) |
|---------------|--------------|-------------|--------------|-----------------|----------------|------------------|----------------|------------------|
| 0.3 | Indicated | 14.1 | 0.5 | 66,654 | 0.04 | 18,084 | 2.1 | 949,402 |
| | Inferred | 13.6 | 0.4 | 58,308 | 0.05 | 21,798 | 1.6 | 697,531 |
| | Total | 27.6 | 0.5 | 124,962 | 0.04 | 39,882 | 1.9 | 1,646,933 |

Table 3
Bushranger Resource -0.2% Cu Cut Off

| Cut Off (%Cu) | Category | Tonnes(Mt) | Cu Grade (%) | Contained Cu(t) | Au Grade (g/t) | Contained Au(oz) | Ag Grade (g/t) | Contained Ag(oz) |
|---------------|--------------|-------------|--------------|-----------------|----------------|------------------|----------------|------------------|
| 0.2 | Indicated | 24.9 | 0.4 | 94,620 | 0.04 | 32,022 | 1.6 | 1,288,870 |
| | Inferred | 27.6 | 0.3 | 91,080 | 0.04 | 35,494 | 1.2 | 1,091,435 |
| | Total | 52.5 | 0.4 | 185,700 | 0.04 | 67,515 | 1.4 | 2,380,305 |

Table 4
Bushranger Pit Optimisation Inputs

| Input | Units | Rate |
|----------------------|--------------|----------|
| Mining Cost | A\$/t moved | \$ 1.80 |
| Process Cost | A\$/t milled | \$ 10.39 |
| G+A Cost | A\$/t milled | \$ 1.50 |
| Conc. Freight | A\$/dmt | \$ 91.30 |
| Exchange Rate | AUD:USD | \$ 1.00 |
| Av Pit Slopes | Degrees | 42 |
| Cu Recovery-Oxide | % | 75 |
| Cu Recovery-Sulphide | % | 92 |

About Lachlan Star Limited

Lachlan Star Limited is an emerging minerals exploration and development company headquartered in Perth, Western Australia. The company is focused on acquiring and developing assets within the gold and copper sectors within Australia and Chile. The company has a board of directors and management team with an impressive track record of advancing resource projects through to production.

Lachlan Star's current projects include a 100% interest in the CMD Gold Mine in Chile, the Bushranger copper and gold project in NSW and the Princhester magnesite deposit in QLD.

For further information please visit www.lachlanstar.com.au or contact

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Competent Persons Statement

The information in this report that relates to the Mineral Resources and Scoping Study of Bushranger is based on information compiled by Mick McMullen, who is a Member of The Australasian Institute of Mining and Metallurgy. Mr McMullen is employed by McMullen Geological Services Pty Ltd. Mr McMullen has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr McMullen consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The information in this report that relates to the Mineral Inventory and Scoping Study of Bushranger is based on information compiled by Declan Franzmann, who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Franzmann is employed by Citraen Pty Ltd. Mr Franzmann has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Franzmann consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.